



U.S. Department of Justice

*United States Attorney
Southern District of Indiana*

*10 West Market Street
Suite 2100
Indianapolis, Indiana 46204-3048*

*(317)226-6333
TDD (317)226-5438*

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*FAX NUMBERS:
Criminal (317)226-6125
Administration (317)226-5176
Civil (317)226-5027
FLU (317) 226-6133
OCDETF (317)226-5953*

CONTACT PERSON:

Claudia Cummings
(317) 229-2477 office
(317) 590-7928 mobile

FOR IMMEDIATE RELEASE:

OWNER OF TRUCK COMPANY SENTENCED TO JAIL FOR FILING FALSE TAX RETURNS

PRESS RELEASE

Susan W. Brooks, United States Attorney for the Southern District of Indiana, announced that GREGORY M. KENDALL, 39, of Paoli, Indiana, was sentenced to 15 months imprisonment yesterday, by U.S. District Judge David F. Hamilton following his guilty plea to three counts of filing false tax returns for the years 1998, 1999, and 2000. This case was the result of a two year investigation by the Internal Revenue Service.

Kendall pleaded guilty to the charges immediately before yesterday's sentencing. According to facts presented in court at the time of the guilty plea, KENDALL was the owner operator of Kendall Trucks and Parts, a business located in Orange County, Indiana, that bought and sold used trucks. In the years 1998, 1999, and 2000, KENDALL took his business records

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to a tax return preparer who calculated his tax liability for the years. Included among the business records provided to the tax return preparer were cards related to each truck sold by the business in a particular year. The cards included all the information needed to calculate the profit margin on each truck including KENDALL'S purchase price and selling price. If the tax return preparer did not receive a card for a particular truck, then the preparer did not know that the truck sale ever occurred and thus did not include it as income when preparing KENDALL'S federal income tax return for the year. A careful audit of all available business records by the IRS revealed that a large percentage of the truck sales were never recorded on cards and never reported to the tax return preparer.

In total the IRS found that KENDALL had signed Form 1040 U.S. Individual Income Tax Returns that understated his taxable income by an approximate total of \$1,029,020 for the three years covered by the guilty plea. On June 16, 2004, KENDALL paid the IRS \$490,496 representing payment of tax liabilities and accrued interest as calculated at that time.

According to Assistant United States Attorney Todd S. Shellenbarger, who prosecuted the case for the government, Judge Hamilton also imposed one year of supervised release following KENDALL's imprisonment. During the period of supervised release, KENDALL must undergo drug testing. KENDALL was also fined in the amount of \$150,000.

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